

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MAGOFFIN COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT AND FINANCE PURSUANT TO THE)	2001-273
PROVISIONS OF KRS 278.023)	

O R D E R

On August 27, 2001, Magoffin County Water District ("Magoffin District") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,100,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide new service to 100 additional customers with the installation of approximately 18.8 miles of 3-inch through 6-inch water transmission mains, a booster pump station and four 50,000-gallon water storage tanks. Project funding includes a \$640,000 loan from the U.S. Department of Agriculture's Rural Development ("RD"), a \$450,000 grant from the RD and a \$10,000 contribution from the Applicant.

Magoffin District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum

filing requirements were met in this case on August 27, 2001, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Magoffin District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. Magoffin District's proposed plan of financing with RD is accepted.
3. Magoffin District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.
4. Magoffin District shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Magoffin District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.
5. Magoffin District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 21st day of September, 2001.

By the Commission

ATTEST:


Executive Director